

Realty Trust Review

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INVESTMENT OUTLOOK AND STATISTICAL ISSUE

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INVESTMENT OUTLOOK: TRUST GAINS CONTINUE, SEEKING BARGAINS IN A HIGH-PRICED MARKET

The realty trusts are still outpacing the Dow; the trusts rose 8.3% in the last month against a 5.7% rise for the Dow. New earnings reports showed a decline in earnings overall, but one bright spot was the resumption of a dividend by First Carolina Investors, declaring 10¢/share payable October 15. Its share price jumped 20% in the last month accordingly. The trust also plans open market purchases of its shares.

But that one we missed, and so many of the realty trust shares seem rather high-priced that the question is where to invest today. In this issue we are spotlighting two issues that we consider underpriced compared to other realty trusts, and we examine four current special situations for their potential as new commitments.

TWO FOR THE CURRENT MARKET: NEW PLAN & SECURITY CAPITAL SHARE PRICES STABLE

New Plan Realty Trust is currently trading at 10 (ASE), unchanged from its price in our June statistical issue and only slightly up from 9-7/8 when our May issue was priced. The shares have traded as low as 7½ in 1980, but their failure to share in the market gains in the past two months indicates that the shares may be underpriced relative to other REIT share prices.

The lack of allure in the New Plan shares can be attributed to the nature of its portfolio. The trust specializes in upgrading older properties; it looks for properties which can be purchased below replacement cost, with low operating costs, low rents, and existing financing. This, the trust believes, protects them in both inflation and recession. Property values, along with cash flows from

WITH OUR SISTER SERVICE

HOUSING & REALTY INVESTOR's July 18 issue contained Relative Appeal Rankings for homebuilders, merchant builders, and mortgage finance companies.

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KENNETH D. CAMPBELL, PRESIDENT/NANCY G. BOYLAND, SECURITIES/FAYE KREISMAN, STATISTICS/AUDIT INVESTMENT RESEARCH, INC. 230 PARK AVE., N.Y. 10017

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PORTFOLIO GROUPS OF NO. 1 RANKED STOCKS

Trust	-Ranked No.1- Date	Recent Price	Recent Price	Ann.# Chng.	% Yield	Trust	-Ranked No.1- Date	Recent Price	Recent Price	Ann.# Chng.	% Yield
High income property trusts (5)						Speculative recovery, low yield (11)					
Amer. Equ.	12/7/79	\$10.13	\$13.38	+56.1%	11.6%	CompassIn.	4/13/79	1.50	1.69	+ 9.7%	--
Hotel Inv.	2/9/79	17.88	26.25	+30.2	9.1	Eastover..	4/13/79	9.00	14.25	+42.7	--
MassMut.M.	9/8/78	14.88	14.13	- 2.7	11.0	FGI Invst.	4/13/79	4.50	4.00	- 8.7	--
Mtg. Grow.	9/8/78	7.63	12.25	+28.7	8.8	Maryland.	4/13/79	3.75	2.88	-18.5	--
Pacif.-So.	9/8/78	8.38	8.50	+ 0.8	16.2	MissionIn.	12/7/79	6.50	4.88	-36.8	--
Group avg./tot..		58.88	74.50	+22.6%	10.7%	Moraga Cp.	1/12/79	3.00	8.25	+92.7	--
Income plus long-term growth (12)						Mtg.Tr.A.	11/10/78	5.88	9.25	+30.4	--
Central MI	2/8/80	10.50	9.63	-17.3	6.2%	Parkway..	10/12/79	5.75	7.25	+34.0	--
CleveTrst.	5/25/79	6.50	9.75	+39.9	2.9	Security.	1/26/79	3.50	4.00	+ 9.3	--
ConnGen..	11/11/77	19.88	25.88	+10.2	8.5	TIERCO...	10/26/79	3.75	4.63	+32.5	--
Federal R	12/8/78	16.50	20.75	+15.1	8.3	WalterRl.	12/7/79	5.13	5.25	+ 3.8	--
First Un.	3/23/79	12.25	20.88	+47.4	6.5	Group avg./tot..		52.25	66.33	+17.4	--
Fla. Gulf.	12/8/78	12.50	17.50	+23.0	8.0	# Compound annual rate of change since selection. A-Adjusted for \$15 div. 5/80.					
Gen.Grow.	11/21/79	20.38A	19.00A	- 5.8	2.1	Relative Performance of a portfolio of No.1- Ranked stocks, making all suggested changes, compared to major indexes since Jan. 1 is:					
GREIT RL.	7/11/80	10.75	11.25	+195.2	3.6	Income REITs..		+16.7%	Dow-Jones Ind.	+10.6%	
Hosp. Mtg.	2/9/79	9.75	13.38	+24.3	4.5	Recovery REITs		+13.1%	S&P 400 Ind...	+14.1%	
ICM Rlty.	12/21/79	14.25	17.50	+42.2	5.7						
PennREIT.	12/28/78	15.00	24.50	+36.3	7.7						
Prop.Cap.	12/21/79	14.88	21.50	+88.0	7.1						
Group avg./tot.		164.13	226.50	+41.5%	5.9%						
ALL INCOME TR.. 223.00 301.00 +36.0 7.0%											
No. 1 Rankings reduced in 1980:						Trust	Begin	End	Date	Chng.	Cur.Advice
Trust	Begin	End	Date	Chng.	Cur.Advice	Franklin.	10.25	24.25	7/11	+136.6%	Hold LT
Commwlth.	8.50	8.50	4/11	0.0%	Hold/sell	Kenilwth	35.50	38.25	7/11	+ 8.8	Sell/Hold
						Avg. Chng...		+48.1%			

overages, increase during periods of inflation, but the lower rental base means that the risk of vacancies resulting from slackening business is reduced.

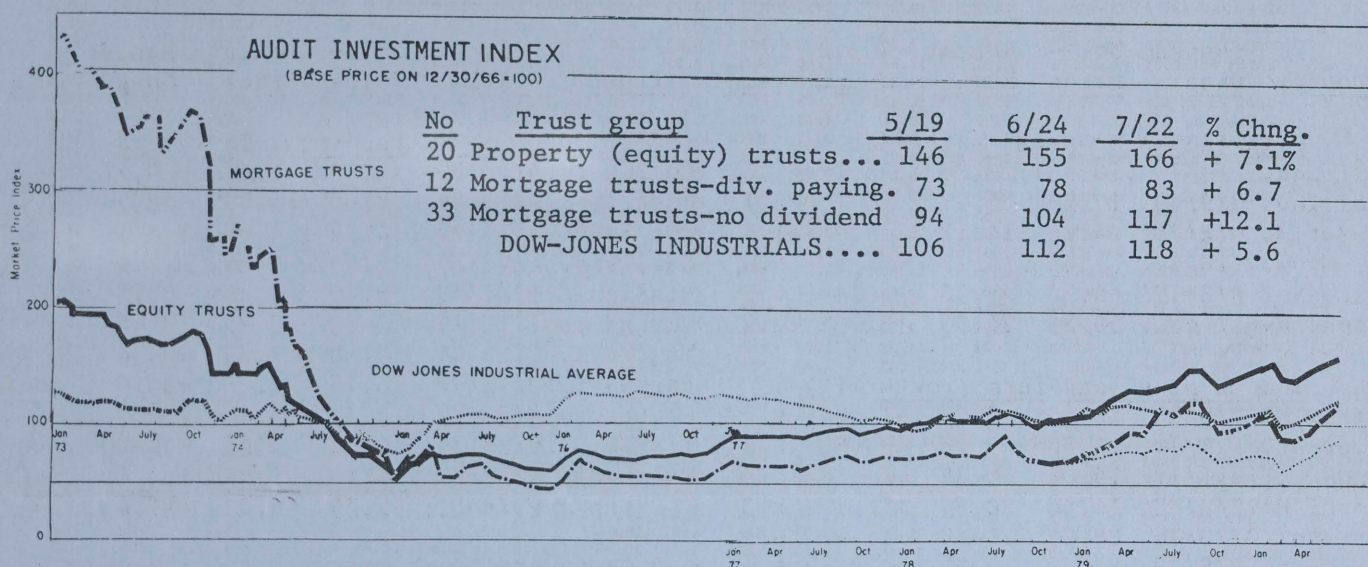
New Plan has a gross investment portfolio amounting to \$27 million; its properties include 12 shopping centers with 1.4 million square feet mostly held on a fee ownership basis, two apartment complexes with 434 units, seven commercial/industrial properties, and four parcels of land. Most of the properties date from the 1960's, creating a large disparity between carrying value and estimated market value. The current share price represents a premium of 56% over combined net book value and accumulated depreciation, but a discount of 46% from market value of approximately \$18.65/share,

as stated at a meeting of the New York Society of Security Analysts in May.

The most significant holdings are the Roosevelt Mall, its annex, and a John Wannamaker department store. Three adjacent properties in Philadelphia, they constitute 34% of the trust portfolio. Four shopping centers in upstate New York amount to 16%, and the Rodney Village center in Dover, Del., 10%.

New Plan manages its properties intensively. The major problem has been the Rodney Village Center which was only 47% occupied at July 31, 1979; but since that time, the center's upgrading program has been completed, a King's Department Store has been opened, and the supermarket tenant is expanding its space from

(cont'd on p. 7)



Summary of Comparative Trust Group Averages for the Month

GROUP	QUAL	NON-QUAL	TOTAL	SHARE (000)	BOOK VALUE	ANN DIV	EARN ANN	LAST PRICE	-% CHNG MON AGO	FROM-- JAN 1	P/E RATIO	ANN YIELD	% PR TO BK	RETURN ON BK	MARKET VALUE
PROPERTY-LARGE	20	0	20	2228	16.28	1.36	2.54	19.11	7.6	13.6	7.5	7.1	17.3	15.6	817.3
-SMALL	9	0	9	1151	13.01	1.53	1.71	15.54	9.7	17.7	9.1	9.8	19.5	13.1	191.1
-SUBOR LAND	3	0	3	1862	16.99	1.58	2.41	19.67	9.2	20.1	8.1	8.0	15.7	14.2	107.3
AVERAGE 3 PROP GROUPS			32	1890	15.42	1.42	2.29	18.15	8.2	15.2	7.9	7.9	17.7	14.9	1115.7
PROP & MTG COMBINATION	14	10	24	2172	12.17	0.54	0.98	12.18	9.2	23.9	12.4	4.5	0.1	8.1	728.5
SHORT-TERM MTG	12	0	12	2233	17.07	0.98	1.64	12.37	3.0	7.7	7.5	7.9	-27.5	9.6	397.1
LONG-TERM MTG/PROP	9	0	9	3575	15.51	1.29	1.19	11.86	10.1	17.5	9.9	10.9	-23.5	7.7	368.2
MTG/FCLSD PROP-MISC	2	6	8	4444	5.19	0.00	0.65	4.09	3.6	6.1	6.2	0.0	-21.1	12.7	146.5
-BANK	0	11	11	2196	6.06	0.03	1.13	5.03	11.5	19.2	4.5	0.5	-17.0	18.6	117.4
-INDEPEND	0	42	42	4371	4.27	0.00	0.77	3.37	11.3	7.2	4.4	0.1	-21.2	18.0	366.5
AVERAGE 3 MTG/FCLSD PROP			61	3988	4.71	0.00	0.81	3.76	10.2	9.7	4.6	0.2	-20.2	17.4	630.4
OVERALL AVERAGE	69	69	138	3006	10.27	0.59	1.28	9.84	8.3	15.3	7.7	6.1	-4.2	12.5	3239.9
DOW-JONES INDUSTRIALS								120.77	927.30	5.7	10.6	7.7	5.7		

Profile of Realty Trust Balance Sheets at Latest Report

No.	Invested Assets		% Non- & Low-earn.	% Change in Month	Loss Reserve	Foreclosed Property	All Debt	Share-holders Equity	Depre-ciation	Taxloss Carry-forward
PROPERTY.....	32	\$ 1,800M	\$ 33M	2%	-9.8%	\$ 13M	\$ 15M	\$1,139M	\$ 665M	\$ 3M
PROPERTY & MTG.....	24	1,730	272	16	-1.7	38	60	1,246	566	127
SHORT/TERM MTG.....	12	1,071	132	12	+0.2	27	102	638	515	12
L/T MTG/PROPERTY....	9	1,062	81	8	0.0	11	69	562	495	0
MTG/FORECLOSED PROP.	61	3,995	2,466	61	+0.5	560	1,584	3,012	630	1,915
TOTALS/AVERAGES....	138	\$ 9,659M	\$2,920M*	30%	-2.4%	\$648M	\$1,830M	\$6,598M	\$2,785M	\$2,057M

* Includes \$862M or 8.9% low-earning assets.

M=Million.

RELATIVE APPEAL	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON ANN	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)
PROPERTY TRUSTS-OVER \$25M ASSETS													
1	AM EQUITY INV #	2497	10.88	1.55 ↓	MAR	2.29	13.38 X	-9.1	18.9	5.8	11.6	23.0	33.4
3	COMMONWLT RLT#	1344	9.99	0.40	FEB	0.59	8.75	0.0	2.9	14.8	4.6	-12.4	11.8
3	CONSOL CAP RLY#	1989	27.20	2.52 ←	FEB	4.62	32.00 X	-2.4	10.3	6.9	7.9	17.6	63.6
2	DENVER REI ASN#	1101	17.66	1.40	MAR	2.21	31.50	5.0	44.8	14.3	4.4	78.4	34.7
1	FEDERAL REALTY#	1434	14.29	1.72	MAR	1.36	20.75 X	9.3	38.3	15.3	8.3	45.2	29.8
1	FIRST UNION RE#	5574	16.45	1.36	MAR	1.56	20.88 X	13.2	35.8	13.4	6.5	26.9	116.4
1	FLORIDA GLF RL#	997	20.74	1.40	APR	1.64	17.50 X	17.0	14.8	10.7	8.0	-15.6	17.4
1	GENERAL GROWTH#	6202	6.30	0.40	MAR	13.03	19.00	10.1	-50.3	1.5	2.1	201.6	117.8
2	GOULD INVESTOR#	1173	20.89	1.36	MAR	3.40	13.50	4.8	-3.6	4.0	10.1	-35.4	15.8
2	GREIT REALTY	998	9.43	0.40	APR	0.15	11.25 X	8.1	21.6	75.0	3.6	19.3	11.2
2	HUBBARD REI	4004	25.35	1.76	APR	2.21	16.38	2.4	1.5	7.4	10.7	-35.4	65.6
NR	INTL INC PROP#	1865	10.20	0.63	DEC	0.64	10.25	0.0	0.0	16.0	6.1	0.5	19.1
2	NEW PLAN RL TR#	3213	6.41	0.96 ←	JAN	0.85	10.00 X	0.8	9.5	11.8	9.6	56.0	32.1
1	PENN REIT #	1561	28.83	1.90	FEB	2.84	24.50	4.3	3.7	8.6	7.8	-15.0	38.2
2	REIT OF AMERICA	1633	22.65	2.20	MAY	2.21	28.75 X	24.0	35.3	13.0	7.7	26.9	46.9
2	SAN FRAN RE IN#	1406	22.80	1.76	MAR	1.84	28.38	15.8	20.8	15.4	6.2	24.5	39.9
NR	UNIVERSITY REI#	2514	9.35	1.32	MAR	1.04	10.50 X	3.5	16.7	10.1	12.6	12.3	26.4
NR	USP RE EST INV#	2500	9.33	0.81 ↓	MAR	0.86	8.25 X	-1.2	17.9	9.6	9.8	-11.6	20.6
2	VIRGINIA REIT #	1022	14.89	1.00	MAR	0.97	19.50	11.4	77.3	20.1	5.1	31.0	19.9
2	WASH RE (WRIT)#	1526	22.05	2.32	MAR	6.55 ↑	37.13	3.1	33.2	5.7	6.2	68.4	56.7
GROUP AVERAGE		2228	16.28	1.36		2.54	19.11	7.6	13.6	7.5	7.1	17.3	817.3
PROPERTY TRUSTS-SPECIALITY PROPS & UNDER \$25M ASSETS													
NR	GENERAL RE SHS#	557	15.33	1.56	MAR	1.89	11.00	10.0	0.0	5.8	14.2	-28.2	6.1
NR	OLD DOMINION #	704	8.92	0.56	MAR	1.26	7.38	3.5	15.7	5.9	7.6	-17.3	5.2
NR	PITTS & W VA RR	1510	23.30	0.56	MAR	0.83	6.00	0.0	17.0	7.2	9.3	-74.2	9.1
NR	RL EST INV PRP#	959	8.67	1.36	MAR	1.42	10.50 X	5.8	-2.3	7.4	13.0	21.1	10.1
NR	REIT OF CALIF	719	10.20	1.59	MAR	1.71	16.00	0.0	0.0	9.4	9.9	56.9	11.5
NR	TERRIDALE RLTY#	336	24.44	1.80	MAR	1.84	23.50	17.5	30.6	12.8	7.7	-3.8	7.9
NR	US EQUITY & MTG	1078	2.38	1.10 ↑	APR	1.16 ↑	7.50	0.0	-11.8	6.5	14.7	215.1	8.1
1	Z-HOTEL INVESTOR#	1746	20.14	2.40 ←	FEB	3.10	26.25 X	10.1	36.4	8.5	9.1	30.3	45.8
2	Z-SANTA ANITA	2749	3.69	2.80	MAR	2.16	31.75 X	11.9	33.0	14.7	8.8	760.4	87.3
GROUP AVERAGE		1151	13.01	1.53		1.71	15.54	9.7	17.7	9.1	9.8	19.5	191.1
PROPERTY TRUSTS-SUBOR LAND LEASEBACK													
1	ICM REALTY	3011	15.52	1.00	MAY	1.63	17.50	9.4	18.6	10.7	5.7	12.8	52.7
2	JMB REALTY	510	21.69	2.20 ←	FEB	4.08	20.00 X	8.2	8.1	4.9	11.0	-7.8	10.2
1	PROPERTY CAPITL	2065	13.77	1.53	APR	1.53	21.50	6.8	35.4	14.1	7.1	56.1	44.4
GROUP AVERAGE		1862	16.99	1.58		2.41	19.67	9.2	20.1	8.1	8.0	15.7	107.3
PROPERTY & MTG COMBINATION													
3N	API TRUST	1012	8.36	0.00	DEC	1.25	2.88	15.2	9.5	2.3	0.0	-65.6	2.9
3	BANKAMER RLTY	3570	17.35	1.20	APR	1.19	19.18	9.6	5.1	16.1	6.3	10.5	68.5
3N	BRT REALTY	1400	1.46	0.00	FEB	-0.78	1.25	25.0	33.0	0.0	0.0	-14.4	1.8
1	CONN GENL M&R #	5849	20.50	2.20 ↑	MAR	2.68	25.88 X	8.4	10.7	9.7	8.5	26.2	151.4
2	FLATLEY RL INV#	1000	10.42	0.30	MAR	0.81	7.38	13.5	40.6	9.1	4.1	-29.2	7.4
1	HOSPITAL MTG #	1178	23.55	0.60	MAR	1.08	13.38	1.0	30.5	12.4	4.5	-43.2	15.8
2	IRT PROPERTY CO#	2306	13.36	0.90	MAR	2.39	12.38	17.9	30.3	5.2	7.3	-7.3	28.5
2	MILLER(HS) TRST	560	18.85	1.80	MAY	1.62 ↑	19.50 X	2.3	9.9	12.0	9.2	3.4	10.9
1	MORTGAGE GROWTH#	2648	12.39	1.08	MAY	1.46	12.25	7.6	40.0	8.4	8.8	-1.1	32.4
2	PACIFIC RIT TR#	843	23.24	1.20	FEB	2.58	24.00	4.9	7.2	9.3	5.0	3.3	20.2
3	PROPTY TR AMER#	2372	9.87	0.85	MAR	1.45	9.75	18.2	32.1	6.7	8.7	-1.2	23.1
2	REALTY INCOME	1591	10.05	0.80	JAN	-0.26	7.50	11.1	0.0	0.0	10.7	-25.4	11.9
2N	RIVIERE REALTY#	783	11.15	0.00	MAR	-1.59	4.63	0.0	-19.5	0.0	0.0	-58.5	3.6
2	WELLS FARGO M&E	3953	18.46	1.40	MAR	2.10	17.88	5.2	26.5	8.5	7.8	-3.1	70.7
GROUP AVERAGE		2076	14.22	0.88		1.14	12.70	9.3	15.6	11.1	6.9	-10.6	449.1
SHORT TERM MTG-MTG BANKER & MISC FIN SPONSOR													
2N	BAYSWATER RLTY	1043	20.26	0.00	JAN	4.96	9.50	-7.3	2.7	1.9	0.0	-53.1	9.9
1	CENTRAL MTG&RLY	775	14.63	0.60	MAR	1.53	9.63	7.0	-1.2	6.3	6.2	-34.2	7.5
NR	CONSOL CAP INCO	4000	22.99	2.50 ←	MAR	3.19	25.50 X	0.8	0.0	8.0	9.8	10.9	102.0
2	EQUIT LF MTG&RL	5663	23.21	1.40 ←	APR	1.61	15.75 X	3.9	6.8	9.8	8.9	-32.1	89.2
3	FIRST CONTNL RE	2106	10.45	1.22	MAY	1.18	8.75	4.4	16.7	7.4	13.9	-16.3	18.4
3	FRASER MTG	1038	16.55	1.04	FEB	1.05	10.25 X	10.6	10.8	9.8	10.1	-38.1	10.6
3N	HANOVER SQ RLTY	946	11.38	0.00	MAY	0.19	5.88	2.3	-4.1	30.9	0.0	-48.3	5.6
2	LOMAS & NET MTG	3700	27.91	2.40	MAR	2.40	20.75	-0.6	7.8	8.6	11.6	-25.7	76.8
2	M&T MORTGAGE	1486	10.56	1.68	MAY	1.82	13.00	0.0	7.2	7.1	12.9	23.1	19.3
1N	MTG TRUST AMER	3993	14.02	0.00	MAY	0.99 ↑	9.25	4.2	29.7	9.3	0.0	-34.0	36.9
3	NATIONWIDE RE	1047	24.66	0.70	MAR	0.67	16.50	1.5	20.0	24.6	4.2	-33.1	17.3
2	WESTERN MTG	1003	8.17	0.24 ↑	MAY	0.14 ↑	3.63 X	-1.6	7.4	25.9	6.6	-55.6	3.6
GROUP AVERAGE		2233	17.07	0.98		1.64	12.37	3.0	7.7	7.5	7.9	-27.5	397.1
LONG-TERM MTGS & PROPERTIES													
NR	DEL-VAL FINCL	1345	9.19	1.44	MAR	1.26 ←	11.50 X	-1.1	12.2	9.1	12.5	25.1	15.5
1	MASSMUTUAL MTG	4670	19.90	1.56	APR	1.59	14.13	3.7	20.3	8.9	11.0	-29.0	66.0
2	MONY MTG INV	8955	9.85	0.92	MAY	1.03	9.25	2.8	21.2	9.0	9.9	-6.1	82.8
3	NW MUT LIFE MTG	4758	19.06	1.12 ↑	JUN	1.06 ↑	11.50 X	24.0	27.8	10.8	9.7	-39.7	54.7
1	PACIF SOTHRN MT	800	12.00	1.38	MAR	1.38	8.50	6.3	6.3	6.2	16.2	-29.2	6.8
3	PNB MTG & RLTY	4766	16.55	1.20 ↑	JUN	0.34 ↑	11.25 X	18.5	25.0	33.1	10.7	-32.0	53.6
2	RLTY & MTG PAC	1896	18.21	1.60	MAY	1.73	18.13	11.6	19.8	10.5	8.8	-0.4	34.4
2	REALTY REFUND	1377	17.20	1.33	APR	1.33	12.00	4.3	15.6	9.0	11.1	-30.2	16.5
2	UNITED RLTY IN	3610	17.63	1.04 ←	MAY	1.01 ↑	10.50 X	7.6	7.7	10.4	9.9	-40.4	37.9
GROUP AVERAGE		3575	15.51	1.29		1.19	11.86	10.1	17.5	9.9	10.9	-23.5	368.2
MTG & FORECLOSED PROPERTY-MISC SPONSOR													
2N	Y CMT INVESTMT TR	2032	3.14	0.00	JUN	0.39 ↑	3.75	25.0	130.1	9.6	0.0	19.4	7.6
3N	HEITMAN MTG INV	3292	1.64	0.00	MAR	0.06	1.88	0.0	0.0	31.3	0.0	14.6	6.2
GROUP AVERAGE		2662	2.39	0.00		0.23	2.82	15.4	60.4	12.5	0.0	17.8	13.8

RELATIVE APPEAL	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON ANN	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)		
PROP & MTG COMBINATION-NON-QUALIFIED (MOST INDEPENDENT)															
5N	AMER REALTY	OC-ARB	2222	3.42	0.00	MAR	0.37	3.50	21.5	21.5	9.5	0.0	2.3	10.8	7.8
2N	BAY FINCL CORP	NY-BAY	3323	6.84	0.00	MAY	0.50	6.63	12.8	0.0	13.3	0.0	-3.1	7.3	22.0
3	CITIZENS GROWTH	OC-CITGS	801	8.75	0.20	APR	1.78	4.50	12.5	38.5	2.5	4.4	-48.6	20.3	3.6
1	FRANKLIN RLTY	AS-FR	1054	8.95	0.40	MAR	0.79	24.50	7.7	108.5	31.0	1.6	173.7	8.8	25.8
2N	INDIANA FCL INV	OC-IFII	1154	8.69	0.00	MAR	-0.50	4.38	0.0	34.8	0.0	0.0	-49.6	0.0	5.1
1N	KENILWORTH RLTY#	NY-KRT	2683	23.49	0.00	FEB	2.40	38.50	0.3	33.3	16.0	0.0	63.9	10.2	103.3
2N	SAUL (BF) REIT	NY-BFS	5893	3.88	0.00	MAR	-0.05	9.25	25.3	27.6	0.0	0.0	138.4	0.0	54.5
2N	US REALTY INV #	NY-UTY	3406	14.82	0.00	MAR	0.68	13.00	22.3	46.4	19.1	0.0	-12.3	4.6	44.3
1N	WALTER REALTY	OC-WALJS	1035	8.53	0.00	APR	0.54	5.25	16.7	2.3	9.7	0.0	-38.5	6.3	5.4
2	WISCONSIN REIT	OC-WREIS	1514	5.75	0.10	MAR	1.07	5.00	8.0	17.6	4.7	2.0	-13.0	18.6	7.6
GROUP AVERAGE		2309	9.31	0.07		0.76	11.45	9.0	39.4	15.1	0.6	23.0	8.1	279.4	
MTG & FORECLOSED PROP-NON-QUALIFIED-INDEPENDENT MGMT															
2N	ANRET INC	PH-ARET	509	19.66	0.00	MAY	-2.55	7.50	0.0	-27.7	0.0	0.0	-61.9	0.0	3.8
4N	BULLER INV GRP	OC-BULDS	2844	1.57	0.00	MAR	1.20	2.75	15.5	15.5	2.3	0.0	75.2	76.4	7.8
5N	VJCITIZENS MTG	OC-CZM	1421	-13.88	0.00	DEC	0.64	0.13	0.0	-48.0	0.2	0.0	-0.0	-0.0	0.2
1N	COMPASS INV GP	OC-CMPSS	10368	2.14	0.00	MAR	-0.11	1.69	3.7	12.7	0.0	0.0	-21.0	0.0	17.5
4N	VJCONTINENTAL MTG	OC-CMI	20838	-5.32	0.00	DEC	1.22	0.38	22.6	8.6	0.3	0.0	-0.0	-0.0	7.9
2N	DIVERSIFIED MTG	NY-DMG	7326	7.89	0.00	MAR	0.00	4.00	-3.1	-15.8	0.0	0.0	-49.3	0.0	29.3
3N	Y DOMINION M&R	OC-DMRTS	3314	0.76	0.00	FEB	4.35	2.25	0.0	19.7	0.5	0.0	196.1	572.4	7.5
1N	EASTOVER CORP	OC-EASTS	1034	17.11	0.00	MAR	4.36	14.25	14.0	9.6	3.3	0.0	-16.7	25.5	14.7
1N	FGI INVESTORS	OC-FGI	1927	8.71	0.00	FEB	2.59	4.00	0.0	-3.1	1.5	0.0	-54.1	29.7	7.7
2	FIRST CARO INV	OC-FCARS	1510	14.81	0.10	JUN	0.27	9.13	19.7	40.5	33.8	1.1	-38.4	1.8	13.8
2N	FIRST MTG INVST	OC-FMTGS	9276	3.64	0.00	APR	1.73	1.19	-23.7	-27.0	0.7	0.0	-67.3	47.5	11.0
2N	FIRST NEWPT CP	OC-FNEW	2342	3.35	0.00	APR	-0.17	3.13	13.8	46.9	0.0	0.0	-6.6	0.0	7.3
2N	Y GREAT AMER M&I	OC-GAMI	7372	1.17	0.00	APR	0.07	3.75	50.0	15.4	53.6	0.0	220.5	6.0	27.6
2N	GROWTH REALTY	NY-GRW	2059	7.22	0.00	MAR	0.35	4.88	2.7	-13.3	13.9	0.0	-32.4	4.8	10.0
3N	Y GUARDIAN MTG	PH-GMI	19010	-0.13	0.00	MAY	3.80	0.75	19.0	-25.0	0.2	0.0	-0.0	-0.0	14.3
3N	HAMILTON INV TR	OC-HAMTS	2175	4.81	0.00	MAR	-0.68	3.75	42.6	36.4	0.0	0.0	-22.0	0.0	8.2
2N	HOMAC-BARNES	OC-HOMC	1907	8.98	0.00	MAR	-0.53	1.75	7.4	-6.9	0.0	0.0	-80.5	0.0	3.3
3N	INSTITUTIONAL INV	NY-INV	6798	0.11	0.00	APR	-1.36	1.88	66.4	36.2	0.0	0.0	1609.1	0.0	12.8
2N	KENTUCKY PROPTY	OC-KMTGS	1100	3.24	0.00	FEB	0.23	2.00	0.0	6.4	8.7	0.0	-38.3	7.1	2.2
5N	Y LIFETIME COMMUN	OC-LFTMS	6661	3.42	0.00	APR	0.46	1.00	0.0	0.0	2.2	0.0	-70.8	13.5	6.7
2N	LINCOLN MTG	OC-LNMGs	1155	1.90	0.00	MAR	1.34	2.81	2.2	-16.9	2.1	0.0	47.9	70.5	3.2
1N	MARYLAND REALTY	OC-MDRTS	1786	4.50	0.00	FEB	-0.54	2.88	35.2	0.0	0.0	0.0	-36.0	0.0	5.1
3N	Y METROPLEX RLTY	OC-JMI	11840	1.04	0.00	MAR	-0.20	0.50	0.0	0.0	0.0	0.0	-51.9	0.0	5.9
2N	MIDLAND MTG	NY-MMT	2382	2.00	0.00	MAR	1.82	3.25	30.0	-16.2	1.8	0.0	62.5	91.0	7.7
1N	MISSION INV TR	AS-MIT	1812	7.09	0.00	MAY	2.13	4.88	11.4	-18.7	2.3	0.0	-31.2	30.0	8.8
1N	MORAGA CORP	OC-MORA	1355	8.02	0.00	APR	0.11	8.25	-8.3	34.6	75.0	0.0	2.9	1.4	11.2
4N	MTG INV WASH	OC-MINVS	2146	4.55	0.00	MAR	0.75	3.13	0.0	31.5	4.2	0.0	-31.2	16.5	6.7
4N	Y NATIONAL MTG	OC-NMF	3707	2.24	0.00	FEB	0.22	0.88	17.3	20.5	4.0	0.0	-60.7	9.8	3.3
5N	NOVA REIT	OC-FVM	1208	8.68	0.00	MAR	1.22	2.13	0.0	-24.2	1.7	0.0	-75.5	14.1	2.6
1N	PARKWAY COMPANY	OC-PKWSY	1055	8.17	0.00	MAR	0.29	7.25	5.4	45.0	25.0	0.0	-11.3	3.5	7.6
4N	PLAZA REALTY	OC-PRISS	1114	0.44	0.00	DEC	-0.38	2.63	50.3	132.7	0.0	0.0	497.7	0.0	2.9
3N	REPUBLIC MTG	NY-RMI	2107	4.34	0.00	MAR	1.26	2.88	9.5	64.6	2.3	0.0	-33.6	29.0	6.1
2N	SO ATLANTIC FIN	NY-SAT	2706	3.57	0.00	APR	0.75	3.38	28.5	0.0	4.5	0.0	-5.3	21.0	9.1
3N	SOUTHMARK PROP	NY-SM	6851	2.27	0.00	MAR	0.48	2.00	6.4	33.3	4.2	0.0	-11.9	21.1	13.7
1N	TIERCO	OC-TIERS	2355	9.75	0.00	MAR	1.66	4.63	32.3	23.5	2.8	0.0	-52.5	17.0	10.9
2N	TOWERMARC	OC-FMEMS	1156	7.56	0.00	MAY	0.01	4.38	3.1	0.0	438.0	0.0	-42.1	0.1	5.1
2N	TRECO INC	OC-TREC	2438	1.60	0.00	MAR	0.27	1.44	27.4	-7.7	5.3	0.0	-10.0	16.9	3.5
5N	Y TRITON GROUP	PS-TGL	18568	-0.65	0.00	FEB	1.75	0.63	12.5	18.9	0.4	0.0	-0.0	-0.0	11.7
4N	UMET TRUST	NY-UAT	2109	1.57	0.00	MAY	1.40	3.25	36.6	23.6	2.3	0.0	107.0	89.2	6.9
3N	Y VQUEST TRUST	OC-VYQTS	1860	5.46	0.00	MAY	-0.04	4.25	6.3	-15.0	0.0	0.0	-22.2	0.0	7.9
2N	WASHINGTON CP	PH-TWC,X	1675	-0.03	0.00	MAR	0.63	1.13	6.6	-24.7	1.8	0.0	-0.0	-0.0	1.9
2N	WESTPORT COMPNY	OC-WSPTS	2388	6.07	0.00	APR	1.51	4.63	15.8	37.0	3.1	0.0	-23.7	24.9	11.1
GROUP AVERAGE		4371	4.27	0.00		0.77	3.37	11.3	7.2	4.4	0.1	-21.2	18.0	366.5	
MTG & FORECLOSED PROP-NON-QUALIFIED-COMCL BANK SPONSOR															
3N	AMER FLETCHER M	OC-AFMIS	1352	1.86	0.00	APR	0.46	2.25	5.6	25.7	4.9	0.0	21.0	24.7	3.0
3N	BT MTG INVSTRS	NY-BTM	2116	1.29	0.00	MAR	3.98	1.88	0.0	0.0	0.5	0.0	45.7	308.5	4.0
2N	CAMERON-BROWN	NY-CB	2016	9.50	0.00	MAR	0.83	5.13	24.2	24.2	6.2	0.0	-46.0	8.7	10.3
NR	CITINAIL DEV	OC-N/A	600	13.33	0.00	DEC	0.20	8.00	0.0	-12.4	40.0	0.0	-40.0	1.5	4.8
1	CLEVETRUST RLTY	OC-CTRIS	2525	10.68	0.28	JUN	0.09	9.75	18.2	25.8	108.3	2.9	-8.7	0.8	24.6
3N	FIRST DENVR MTG	OC-FDENS	1621	4.97	0.00	MAR	-2.48	2.38	5.8	5.8	0.0	0.0	-52.1	0.0	3.9
4N	FIRST PENN MTG	NY-FPM	2961	0.33	0.00	APR	-1.02	1.38	0.0	-8.0	0.0	0.0	318.2	0.0	4.1
3N	FIRST WISC MTG	OC-FWMTS	1989	5.15	0.00	MAR	-0.26	11.00	18.9	76.0	0.0	0.0	113.6	0.0	21.9
4N	INDEPENDENCE MT	OC-INTGS	2625	3.61	0.00	MAR	7.35	4.50	5.9	30.8	0.6	0.0	24.7	203.6	11.8
2N	TRI-SOUTH MTG	NY-TSI	3012	6.28	0.00	MAR	2.66	3.13	4.3	0.0	1.2	0.0	-50.2	42.4	9.4
2N	WACHOVIA RLTY	NY-WRI	3335	9.61	0.00	MAY	0.58	5.88	14.6	14.6	10.1	0.0	-38.8	6.0	19.6
GROUP AVERAGE		2196	6.06	0.03		1.13	5.03	11.5	19.2	4.5	0.5	-17.0	18.6	117.4	
MTG & FORECLOSED PROP-NON-QUALIFIED-MISC FIN SPONSORS															
3N	AMER CENTURY MI	NY-ACT	2607	7.16	0.00	MAR	2.07	6.75	0.0	17.4	3.3	0.0	-5.7	28.9	17.6
3N	CI MTG GROUP	PH-CI	4812	8.65	0.00	APR	2.25	5.75	-2.2	-17.9	2.6	0.0	-33.5	26.0	27.7
2N	GMR PROPERTIES	NY-GMR	2957	2.21	0.00	MAY	-0.26	2.38	5.8	11.7	0.0	0.0	7.7	0.0	7.0
3N	NORTH AMER MTG	NY-NAM	6901	5.40	0.00	JUN	-0.31	3.63	7.4	-3.2	0.0	0.0	-32.8	0.0	25.1
1N	SECURITY CAPITL	AS-SCC	7417	6.33	0.00	JUN	0.32	4.00	6.7	0.0	12.5	0.0	-36.8	5.1	29.7
2N	STATE MUTUAL IN	NY-SMU	5538	7.02	0.00	APR	0.74	4.63	-2.5	-2.5	6.3	0.0	-34.0	10.5	25.6
GROUP AVERAGE		5039	6.13	0.00		0.80	4.52	1.4	-0.9	5.6	0.0	-26.2	13.1	132.7	
PREFERRED STOCK & REIT FUNDS															
NR	CMT INV TR-PFD	OC-CMTIP	2147	7.50L	0.00	JUN	0.39	3.63	21.0	93.1	9.3	0.0	-51.6	5.2	7.8
NR	CYPRUS CORP	AS-CYC	1425	1.12N	0.00	OCT	0.00	1.63	-6.9	-40.7	0.0	0.0	45.5	0.0	2.3
NR	CYPRUS-PFD	AS-CYCPR	660	21.15C	1.70	---	0.00	14.38	0.0	5.5	0.0	11.8	-32.0	0.0	9.5
NR	RET INCOME	AS-RET	3794	4.35N	0.00	SEP	0.17	4.50	9.0	16.0	26.5	0.0	3.4		

CONVERTIBLE DEBENTURES

STRAIGHT BONDS

DEBENTURE	EX	INT (%)	MAT	MIL \$ OUT	CONV SH(000) AT RESERVD	RECENT PRICE	YIELD (%)	% CHNG	CONV PARITY	STOCK PRICE	ISSUER & DESC.	EX	INT.	MATURITY	MIL \$	PRICE	% CHANGE	% YIELD	
ALAMAND CORP	OC	6.50	'91F	9.04	27.75	325	52.00	12.5	0.0	14.43	8.25	BAY COLONY PROP-B	PS	8.50	3/15/89	16.5	68.50	-0.6	12
AMER CENTURY	AS	7.00	'90	2.40	17.12	140	60.13	11.6	0.0	10.29	6.75	BAY COLONY PROP-C	NY	8.50	3/31/81F	6.8	95.00	0.0	8
AMER CENTY'B	NY	6.75	'91	9.81	23.86	411	65.00	10.4	11.6	15.50	6.75	BT MTG INV-C	OC	5.75	1/15/82	19.4	72.00	-5.2	8
AMER REALTY	OC	7.00	'84F	1.48	10.40	142	75.00	DEF	0.0	7.80	3.50	CHASE MAN TR-A	OC	7.88	5/1/78F	36.7	99.00	-0.7	DEF
BANKAMERICA	OC	6.75	'90	4.25	21.00	202	90.00	7.5	8.4	18.90	19.18	CHASE MAN TR-C	OC	7.50	2/1/83	41.2	59.00	-1.2	DEF
BAYSWATER	OC	6.75	'91	3.92	21.00	186	59.00	11.4	1.7	12.39	9.50	CITIZN & SO RLY-CD#	PS	3.00	6/30/93	2.4	70.00	16.7	4
CHASE MANHTN	OC	11.63	'97	18.62	2.25	8275	59.00	DEF	-1.2	1.32	0.63	CITZNS MTG INV-B	OC	8.50	4/15/80	20.0	35.00	12.9	VJ
CHASE MANHTN	OC	6.50	'96F	10.94	55.00	198	59.00	DEF	-1.2	32.45	0.63	CMEI-C	NY	6.50	3/1/82F	30.0	80.00	0.0	8
CONN GENERAL	NY	6.00	'96	65.46	32.50	2014	79.00	7.6	6.8	25.67	25.88	COMPASS INV-B	OC	16.25	9/30/94	4.4	100.00	-3.7	16
CONVNTL MTG	OC	6.25	'90	40.38	19.79	2040	44.00	VJ	7.3	8.70	0.38	CONN GENL M&R	OC	11.50	7/15/90	50.0	100.00	0.0	11
EQUITBL LF M	NY	6.75	'90	5.03	26.25	191	75.13	9.0	0.0	19.72	15.75	EQUIT LF MT-H	NY	13.90	9/1/87	50.0	87.25	0.0	15
FIRST NEWPT	OC	6.75	'91F	3.04	27.50	110	49.00	13.8	4.3	13.47	3.13	FIRST MTG INV-A	OC	6.75	12/1/82	6.3	79.00	-3.6	8
FIRST PENN M	OC	6.75	'91F	7.33	8.65	847	44.00	15.3	2.3	3.80	1.38	FIRST VA MTG-A	OC	4.00	11/1/80	14.9	77.00	-3.7	5
FIRST UNION	NY	8.75	'99	35.00	18.00	1944	114.00	7.7	8.1	20.52	20.88	FIRST VA MTG-BM	OC	12.00	11/1/80	5.0	75.00	-2.5	16
HANOVER SQ R	AS	7.25	'92	4.52	21.00	215	64.00	11.3	5.8	13.44	5.88	GMR PROPS-B	PS	8.50	12/3/87	15.3	71.00	2.9	12
HEITMAN MTG	AS	7.50	'92	7.33	14.70	498	58.50	12.8	2.4	8.59	1.88	GREAT AMER MGMT-B	OC	3.00	8/1/90	15.0	40.00	-2.3	7
HOTEL INVSTR	OC	7.75	'90	2.87	21.00	136	120.00	6.5	11.1	25.20	26.25	GREAT AMER MGMT-C	OC	1.10	8/1/91	1.3	34.00	3.0	3
HOTEL INVTRS	OC	7.50	'91	10.46	25.25	414	100.00	7.5	12.4	25.25	26.25	GREAT AMER MGMT-E	OC	1.10	8/1/91	6.5	35.00	0.0	3
LINCOLN MTG	OC	8.00	'90	10.32	11.00	938	64.00	12.5	0.0	7.04	2.81	GROWTH RLTY-C	NY	6.75	4/15/82	9.2	87.50	0.9	7
MASSMUTL MTG	NY	6.75	'90	4.74	21.00	225	74.88	9.0	4.0	15.72	14.13	INST INVESTOR-B	OC	8.25	2/1/87	15.2	55.00	-1.7	15
MASSMUTUAL M	NY	6.25	'91	41.07	33.50	1226	64.63	9.7	2.6	21.65	14.13	MTG INV WASH-BG	OC	12.00	11/1/80	15.0	90.00	3.4	13
MIDLAND MTG	OC	7.00	'86	4.25	16.67	255	64.00	10.9	-2.9	10.66	3.25	NATIONWIDE RE-C	OC	7.00	1/1/91	6.5	61.00	-3.1	11
MONY MTG IN	NY	7.00	'90	6.30	11.00	573	84.00	8.3	1.2	9.24	9.25	NO AMER MTG-B	PS	8.50	11/1/87	12.1	67.00	-1.4	12
MTG INV WASH	OC	8.00	'90	2.32	15.00	155	65.00	12.3	0.0	9.75	3.13	NW MUT LF MTG	OC	14.00	1/1/88	15.0	100.00	0.0	14
NOWSTRN MUTL	NY	6.00	'91	7.33	21.00	349	64.25	9.3	3.4	13.49	11.00	REALTY REFUND	NY	11.38	11/1/98	20.0	87.00	-0.5	13
PAC REAL TR	AS	7.00	'92	3.96	26.25	151	90.00	7.8	-2.6	23.62	24.00	REALTY REFUND-C	NY	12.00	5/15/98	15.0	88.00	-0.0	13
PBN MTG	AS	6.75	'91	3.24	20.00	162	66.00	10.2	17.3	13.20	11.25	SECURITY MTG-C	OC	6.00	6/15/82	5.3	78.00	1.3	7
PBN MTG & RL	NY	6.75	'82	17.50	20.00	875	90.00	7.5	-2.6	18.00	11.25	SMI INV (DEL)	AS	7.25	5/1/82	27.5	89.38	0.4	8
RAM PACIFIC	NY	6.75	'91	11.63	21.00	553	80.13	8.4	8.3	16.82	18.13	SO ATLANTIC-C#	NY	6.75	2/15/82F	16.9	87.00	0.0	7
REALTY INCOM	AS	8.00	'91	15.23	18.00	846	65.25	12.3	-1.0	11.74	7.50	STATE MUT INV-B	NY	9.00	11/1/80F	6.2	98.50	1.0	9
REPUBLIC MI	NY	9.00	'90F	2.26	19.00	118	99.88	9.0	-3.1	18.97	2.88	TRECO-C	OC	6.75	9/1/91	5.3	49.00	2.1	13
SAUL (BF) RL	OC	6.50	'91	30.38	23.00	1320	68.00	9.6	6.3	15.64	9.25	DESCRIPTION: A-SENIOR; B-SENIOR SUBORDINATE; C-SUBORDINATE OR JUNIOR SUBORDINATE. D-3% TO 9/30/82, 7% AFTER. M-VARIABLE AT 1 1/2% OVER MONTHLY PRIME. G-VARIABLE AT 1 1/4% OVER PRIME IN OCT. AND APRIL. H-VARIABLE RATE IN MAR. AND SEPT.; CONVERT INTO 9% DEBENTURE TO 9/1/86. VJ-BANKRUPTCY REORGANIZATION. X-SUSPENDED BY EXCHANGE. DEF-IN DEFAULT. #MAY BE USED AT PAR TO EXERCISE WARRANTS. F-TRADES FLAT, WITHOUT ACCRUED INTEREST. E-JUNIOR							
SAUL(BF) REI	OC	8.00	'90	7.28	15.50	469	77.00	10.4	1.3	11.93	9.25								
STATE MUTUAL	AS	6.75	'91	1.29	21.00	61	68.00	9.9	0.0	14.28	4.63								
TRECO	OC	8.50	'98	9.40	1.62	5805	95.00	8.9	5.6	1.53	1.44								
TRI-SO / SR	PH	10.00	'88	9.99	2.50	3999	130.00	7.7	4.0	3.25	3.13								
TRI-SOUTH MI	NY	7.00	'92F	5.81	29.50	197	59.63	11.7	4.2	17.59	3.13								
US REALTY IN	NY	5.75	'89	8.84	20.20	437	71.00	8.1	12.7	14.34	13.00								
WASH CORP	OC	6.50	'91	12.26	33.00	371	44.00	14.8	2.3	14.52	1.13								
WESTPORT CO	OC	6.75	'92	2.32	21.00	110	49.00	13.8	1.0	10.29	4.63								

CONVERSION PARITY IS PRICE AT WHICH SHARES WOULD HAVE TO SELL TO JUSTIFY DEBENTURE PRICE. VJ=IN BANKRUPTCY REORGANIZATION. F=TRADES FLAT, WITHOUT ACCRUED INTEREST. DEF=IN DEFAULT. PH=PHILADELPHIA EXCHANGE. PS=PACIFIC EXCHANGE.

HOW TO USE COMPARATIVE TRUST STATISTICS

These data are designed to facilitate comparison of qualified real estate investment trusts, displayed on page 4, and formerly qualified trusts and corporations, displayed on page 5. Only historical data, or annualizations of latest quarterly data, are used and thus results should not be read as estimates or projections. Investors are advised to consider carefully the following distinctive characteristics of REIT stocks compared with other industrial or financial securities:

Annualized Dividend and Yield: Most qualified REITs do not pay a posted regular annual dividend rate but instead pay their approximate earnings (or net cash flow) for each quarter. They do this because REITs are required to pay 90% (95% beginning 1980) of earnings to shareholders in order to qualify for exemption from Federal income taxes. This means that REIT dividends will vary from quarter to quarter much more than for industrial companies; The Wall Street Journal recognizes this variability by reporting most REIT dividends separately. The outlook and stability of dividends are thus key factors in RTR's RELATIVE APPEAL RANKINGS. The "Annualized Dividend" column is the latest quarterly payout annualized by multiplying by four, and adjusting for any capital gains or special payouts. Special dividends, marked "S", are paid to maintain tax exemption but are not expected to continue in subsequent quarters. For these reasons annualized dividends and yield are not to be considered in any way as posted or guaranteed yields.

Earnings and Price/Earnings Ratio:

For all the trusts and former trusts, earnings show are the latest twelve months' earnings. Non-recurring items such as asset swap gains, reversals of loss

reserves, etc., are included in comparisons for nonqualified mortgage trusts, but are not included in comparisons for qualified trusts.

For property or equity trusts, 12 months' net cash flow as calculated by Audit Investment Research, Inc. is used in place of earnings if the trust uses cash flow as the basis for dividend payments. Net cash flow is defined as net income plus depreciation minus mortgage amortization, and net cash flow trusts are designated with the symbol "#". beside their names. For a few trusts, gross cash flow (i.e., net income plus depreciation) is used and is denoted as "*". Both earnings (EPS) and net cash flow (CFS) per share for these equity trusts are shown in RELATIVE APPEAL RANKINGS.

Book value per share is essentially tang-

WARRANTS

NAME	EXCH/ SYMBO	EXP DATE	OUT (000)	EXER PRICE	NO. SH.	WTS PRICE	STK PRICE	CONV PREM	% CHG	MKT VA (MIL\$)
FLATLEY RLTY	O-FLTLW	5/30/81	1000	10.00	1.0	0.25	7.00	46.4	0.0	0.3
HOMAC-BARNES	O-HOMCW	12/13/82	1910	20.00	1.0	0.02	1.75	1044.0	100.0	0.0
JMB REALTY	O-JMBRW	8/15/82	510	20.00	1.0	2.00	20.00	10.0	-19.9	1.0
PBN MTG (B)	A-PNIBW	6/1/82	700	20.00	1.0	1.00	11.25	86.7	33.3	0.7
SAN FRAN REI	A-SFIW	12/31/80	1348	25.00	1.0	4.63	28.38	4.4	85.2	6.2
SOUTHMARK-B*	PS-N/A	3/31/83	208	2.00	50.0	15.50	2.00	15.5	-13.8	3.2

*CITIZENS & SOUTHERN REALTY DEBENTURES USABLE IN LIEU OF CASH.

NOTE: BUYERS ARE CAUTIONED THAT SPREADS BETWEEN BID AND ASKED PRICES OF WARRANTS ARE VERY LARGE AND PRICES MAY VARY SIGNIFICANTLY.

ible net worth per share after deducting intangible items such as unamortized debt discount and expenses, goodwill, etc. Book value does not reflect any appreciation in asset values but does reflect deduction of a reserve for possible investment losses computed under AICPA rules. Accumulated depreciation is added back to net book value for cash flow trusts (denoted "#"- see above) as a means of approximating market value of properties. Components of this adjusted book value are reported in RELATIVE APPEAL RANKINGS.

Shares used in the statistics are the actual number of shares outstanding as of the latest balance sheet date and do not reflect potential dilution from debenture conversion, warrant exercise, or other common equivalent shares which may have been used in computing earnings per share.

20,000 to 30,000 square feet.

Trust liquidity is high, with \$5 million in cash. The trust has made no additions to its portfolio since the 1979 acquisition of the 83,000 square foot Whitesboro, N.Y., shopping center, as the trust has not been able to find shopping centers comparable to the ones it holds, which would provide a 10% cash flow and not dilute trust earnings.

New Plan has projected earnings of about \$3 million for its fiscal year ending July 31, 1980, for an EPS of 94¢, up 8% from the year earlier amount. Unlike most of the other equity REITs, New Plan's cash flow lags earnings, by approximately 1¢/share each quarter, as depreciation charges are outweighed by mortgage amortization payments. But the shares are yielding 9.6%, with the dividend paid monthly. The trust is instituting a dividend reinvestment plan, permitting the reinvestment of any or all dividends at a 2½% discount from the average of the high and low price of the shares on the payment date; optional cash payments of up to \$500/month at 100% of the average price also can be made. Management owns 40% of the shares.

While the New Plan portfolio does not have the glitter of those of some of the other equity trusts, the big gain in share price to reflect market value of properties has largely already occurred for these. Realization of market value appreciation does not seem likely in the near to intermediate term, as management is following a buy and hold philosophy, on the grounds that available acquisitions do not provide the attractive returns of current holdings. This makes the shares largely income vehicles; but it is an attractive yield, which will increase gradually and the share price along with it. The play would be capturing some of that appreciation; otherwise, the shares are an attractive purchase for longer-term yield growth.

Security Capital Corp. has been trading in a narrow range, although percentages are magnified at low prices (currently 4, ASE). During 1980, this

former mortgage trust has undergone substantial changes which have not yet been reflected in its market price.

Security Capital is the successor to Security Mortgage as of January 23, 1980, as the company moves to become a more diversified, acquisition-oriented entity. Of primary importance is using up the company's taxloss carryforwards, which amounted to \$15 million at September 30, 1979, or \$2.04/share. Of that amount 33¢ expires September 30, 1980 (about 12¢ was utilized in the nine months to June 30); the rest does not begin to expire until 1984.

The first move of the reorganized entity was the announcement last February of the planned acquisition of Benjamin Franklin Savings Association for \$20 million from Mischer Corp. In an example of almost perfect timing, the agreement was revised in May, lowering the purchase price to \$15 million in light of high mortgage interest rates and a slump in housing sales. Of course, almost immediately thereafter, interest rates dropped and housing sales began to recover.

Franklin is the eighth largest savings association in the Houston area, with deposits of \$209 million and assets of \$264 million (as of December, 1979); it has 15 offices. In 1979, Franklin earned \$2 million, up slightly from 1978. This was despite a decline in fourth quarter profits of 31%, reflecting an increase in deposits in CD's to 34% of all deposits, against 6% at the end of 1978. By the time the deal is closed (late 1980 or early 1981), Franklin will have recovered from the debilitating first half, and should again be providing a favorable return on investment.

This acquisition represents the initial step in Security's plan of action, which calls for the long-term liquidation of its portfolio through the sale of foreclosed properties and the payment of low-yielding mortgages; proceeds will be reinvested in compatible businesses, with the acquisition of another REIT remaining a possibility (mer-

er discussions with Wachovia were terminated in October, 1979).

Security currently has real estate investments totaling \$99 million, about 75% mortgages and 25% foreclosed properties. The foreclosed properties are mostly land and land sales contracts; however, about 70% of land holdings are located in Florida, Texas and California. Yield on mortgages runs from 5.75% to 15%, with maturity dates extending for the next 20 years. The yield on the total portfolio in the fiscal 1980 first half was about 9.7%, up from 9.1% for FY'79.

The shares are selling at a 36% discount from net book value. With the benefits to be realized from the Franklin acquisition and further acquisition potential, the No. 1-ranked shares are a buy.

MERGERS & ACQUISITIONS: MIDLAND AND MORAGA SET SHAREHOLDER VOTES

Midland Mortgage Investors Trust and Moraga Corp. shareholders will vote in August on a major asset acquisition and sale of realty assets respectively.

Midland Mortgage (3 $\frac{1}{4}$ -NYSE) votes Aug. 14 on a proposal to acquire Snowmass Co., owners of 47 acres in a PUD at Snowmass Village, Col., by exchanging 5,002-000 new shares. Before such exchange, current Midland holders would have to approve exchanging one current share for $\frac{1}{2}$ -share of common and $\frac{1}{2}$ -share of a new cumulative convertible redeemable preferred. The new preferred would have \$3 liquidating preference and pay 30-cent cumulative annual dividend for two years (or \$1.50 liquidating value and 15-cents dividend for each current Midland share). The preferred would have 1/20 vote and convert into 1.5 common (in effect stepping up current common holders to 1.25 shares for each current share held).

If the deal is approved by 2/3 of holders, Snowmass Co.'s 37 partners would get 80.1% of voting power and 62.7% on a fully diluted basis. This complex structure was devised to let Snowmass partners obtain tax-free treatment of the proposed exchange. Their ability to sell exchanged shares is limited by several conditions and buy-back rights. James W. Light and

James J. Chaffin Jr., individual Snowmass general partners, would together receive 2.02 million new shares (32.4%) and become chairman and vice-chairman respectively.

The Snowmass assets are appraised at \$6.97 million present value as raw land net of \$5.7 million tax liability, and this carrying value would reduce book value of current shares from \$2.04 to an equivalent \$1.81 diluted. But Snowmass agrees to forego \$2.2 million incentive development fees if it hasn't contributed \$16.6 million (\$2.08/sh. diluted) pretax income by March 1985. Such income should be sheltered by Midland's taxloss.

The deal would recast Midland as mainly a ski resort developer and likely provide earnings from both current and Snowmass assets. A leverage buyout would be difficult, if not impossible, so this deal may be Midland's best course.

The final proxy of Moraga Corp. sets an Aug. 5 vote on selling substantially all assets to Apex Oil Co., St. Louis; a majority approval is needed. Moraga would have about \$12.45/sh. book value following the proposed sale, substantially all cash. Moraga, formerly Beneficial Standard Mortgage, proposes buying majority ownership or control of other businesses with the funds. Moraga proposes selling its Alamand real estate subsidiary but Alamand's \$8.85 million 6 $\frac{1}{2}$ % convertibles would continue to be convertible into Moraga stock at \$27.75/share. The stock, ranked No. 1 at \$3, is currently 8 $\frac{1}{4}$ (OTC) and holders may nail down long-term profits; we hold the No. 1 Ranking for further benefits.

Virginia REIT has approved in principle a plan to merge the trust into a partnership to be organized by Richmond investors James B. Farinholt Jr. and A. Hugh Ewing III. Each trust share would be converted into a right to receive \$21.50 cash, with 25¢ escrowed for six months to cover expenses and liabilities

Mortgage Investors of Washington is continuing talks with European investors for sale of 3.25 million shares at \$4 to raise funds to repay \$14.6 million floating rate notes due Nov. 1. The investors would have about 60% of shares. The Europeans must put their money at risk by Aug. 1.